



## İSTANBUL GOLD REFINERY (IGR) BORSA İSTANBUL (BİST) COMPLIANCE REPORT

The following tables list the minimum requirements that must be satisfied by Refiners in accordance with the Borsa İstanbul (BİST) Responsible Precious Metals Supply Chain Compliance Guide to demonstrate compliance.

**TABLE 1: REFINER'S DETAILS**

<b>REFINER'S NAME</b>	Istanbul Gold Refinery Inc. (İstanbul Altın Rafinerisi A.Ş.)
<b>LOCATION</b>	Kuyumcukent 7 no.lu Fabrika 34197 Yenibosna - İstanbul / Turkey
<b>REPORTING PERIOD</b>	January 1, - December 31, 2023
<b>DATE OF REPORT</b>	January 30.2024
<b>SENIOR MANAGEMENT RESPONSIBLE FOR THIS REPORT</b>	Atty. Özcan HALAÇ ( <a href="mailto:ozcan@iar.com.tr">ozcan@iar.com.tr</a> )

### İSTANBUL GOLD REFINERY'S EVALUATION:

Istanbul Gold Refinery Inc. (IGR)'s primary objective is to create exceptional value for its customers, suppliers, partners and shareholders, within a culture of responsible sourcing, complying with the regulations and the needs of the relevant certifications, performance, governance, trust and respect.

"Responsible sourcing" is a key and very important principle for IGR. As a LBMA, "Good Delivery Gold Member Refinery" and also BİST registered refinery, IGR implements the whole KYC due diligence process starting from the origin of the precious metals to ensure that it complies with all related regulations and applicable laws both in Turkish local market considering Borsa İstanbul (BİST)'s "Responsible Precious Metals Supply Chain Compliance Guide and globally considering LBMA Responsible Gold Guidance and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

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## TABLE 2: SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE

### STEP: 1 ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

#### ***Compliance Statement with Requirement:***

We have fully complied with Step 1: Establishing strong management systems.

#### ***Has the Refiner adopted a company policy regarding due diligence for supply chains of gold?***

#### ***Comments and Demonstration of Compliance:***

During the reporting year, we established an appropriate Gold and Silver Supply Chain Policy, which is consistent with the model set out BIST's "Responsible Precious Metals Supply Chain Compliance Guide and in the Annex II of the OECD Due Diligence Guidance. This sets out our responsibility for conducting risk-based due diligence, screening and monitoring of transactions and governance structures in place.

IGR continued its sustainability efforts this year. Last year, IGR defined its sustainability policy and set key performance indicators for environmental sustainability, social sustainability, and corporate sustainability. This year, a sustainability report covering the years 2021, 2022, and 2023 was prepared.

As a responsible corporate citizen, Istanbul Gold Refinery fulfills its environmental obligations and social responsibilities with the awareness of its responsibilities to the environment and society and acts with a sustainable growth strategy in compliance with corporate governance principles and ethical principles. To this end, the Company has adopted the LBMA's gold industry responsibility statement and LBMA sustainability principles and has taken it upon itself to implement these principles rigorously. With this reporting, which is a first for IGR, IGR has taken another step towards achieving its sustainability goals

<http://www.iar.com.tr/PDF/compliance-gold-supply-chain-aml-policy.pdf>

<http://www.iar.com.tr/Kurumsal/sustainability-report/150>

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***Has the Refinery set up an internal management structure to support Supply Chain Due Diligence?***

***Comments and Demonstration of Compliance:***

An internal management system has been set up to define the governance, roles and responsibilities, internal audit, communication and senior management review as per the adopted policy. The Compliance Officer has been assigned to manage the process and a Compliance Department has been established. Also, a system of notification of non-compliance has established that enables direct reporting to senior management/executive committee. Appropriate communication systems have developed, trainings have provided and a chain of activities and their application, which are in accordance with the operation of the Compliance Process, have been followed. In 2023, a lawyer joined the compliance team as Assistant Compliance Officer and the team became stronger. In 2023, online webinar training was carried out as well as regular training.

***Has the Refinery established a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors?***

***Comments and Demonstration of Compliance:***

We have a robust 'lot' receipts process. A systemic structure, based on reference/ID/lot system, is created to keep track of all processes beginning with the customer and goods acceptance stage and continuing until the stage of sale, thus the whole process can be monitored. Specific documents must be received and transactional details entered before we process the precious metals-bearing material.

***Has the Refiner strengthened company engagement with Precious Metals supplying counterparties, and where possible, assisted gold supplying counterparties in building due diligence capabilities?***

***Comments and Demonstration of Compliance:***

The documents and forms that are prepared in accordance with the OECD/Borsa İstanbul (BİST) guidelines in the scope of the due diligence are shared with our customers, and we insist on every customer abiding by our compliance standards and agreements. Through this manner detections and evaluations are carried out regarding the supply chain processes and customer compliance is further ensured through on-site visits and customer interviews.

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***Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?***

***Comments and Demonstration of Compliance:***

The refiner has developed a mechanism allowing employees to voice concerns over the Precious metals supply chain or a newly identified risk. A functional mail box-compliance access point and an e-mailbox ([compliance@iar.com.tr](mailto:compliance@iar.com.tr)) have been established, which are reviewed by the compliance officer.

**STEP: 2 IDENTIFY AND ASSESS RISKS IN THE SUPPLY CHAIN**

***Compliance Statement with Requirement:***

We have fully complied with Step 2 : Identify and assess risks in the supply chain.

***Does the Refiner have a process to identify risks in the supply chain?***

***Comments and Demonstration of Compliance:***

We identify and assess risks in the supply chain. For every supplier, we have established a client database and allocated a risk profile according to our risk profile criteria written in our Risk Management Plan.

This risk management plan and Customer Acceptance Policy have created to identify the risks in the Precious metals supply chain process, take action, and apply corrective actions to that effect while carrying out measures that will prevent the repetition of similar risky cases. Customer risk evaluation is a formal requirement before entering any business relationship with a precious metals supplying counterparty.

***Does the Refiner assess risks in light of the standards of their due diligence system?***

***Comments and Demonstration of Compliance:***

Our supply chain due diligence comprising all measures required by the Borsa İstanbul (BİST)'s Responsible Precious Metals Supply Chain Compliance Guide is performed before entering into a business relationship with any precious metals supplying counterpart. We performed enhanced due diligence for higher-risk categories, which includes those where precious metals originates from or transit via a conflict-affected or human rights abuse high-risk area. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship. Beginning from the customer and goods acceptance stage of gold from mines, supply chain due diligence and precautions are put into practice in accordance with the Borsa İstanbul (BİST)'s "Responsible Precious Metals Supply Chain Compliance Guide and procedures.

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Procedures were put into practice that will help with the control and audit of the system, including transportation routes and monitoring of all procedures related to the supply chain.

***Does the Refiner report risk assessment to the designated manager?***

***Comments and Demonstration of Compliance:***

The company's Compliance Committee is created to periodically review and maintain the supply chain compliance process. The committee gathers every 3 months to assess the processes, risks, and the resulting decisions. The compliance officer provides a commentary report to the chief executive, representing the senior management team on a quarterly basis and the compliance officer gets the chief executive's approval for all new suppliers classified as high risk. Senior management retains the ultimate control and responsibility for the precious metals supply chain.

**STEP: 3 DESIGN AND IMPLEMENT A MANAGEMENT SYSTEM TO RESPOND TO IDENTIFIED RISKS**

***Compliance Statement with Requirement:***

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

***Has the refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?***

***Comments and Demonstration of Compliance:***

A Risk Management Plan for the company has prepared and put into practice, in which risky situations and the appropriate procedures to follow during such cases of risk, as well as, the risk management principles were identified. Moreover, response methods have introduced such as abolishing business relations in risky situations, the suspension of trade that would result in the alleviation of risks or achieving the alleviation of risk through other means while continuing with the trading activities.

***Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.***

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***Comments and Demonstration of Compliance:***

Based on the framework of risk analysis and the principles of the Customer Acceptance Policy, measures were taken to allow the monitoring of all transactions within the process, including transportation roads. The relevant customer documents are registered and examined in the scope of the Customer Acceptance Policy, and periodic reports are relayed to senior management. Risk assessments are completed in detail through on-site audits and additional administrative measures, and further precautions are taken when accepting goods and to ensure safe business relations with all customers.

**STEP: 4 ARRANGE FOR AN INDEPENDENT THIRD-PARTY AUDIT OF THE SUPPLY CHAIN DUE DILIGENCE**

***Compliance Statement with requirement:***

We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

***Comments and Demonstration of Compliance:***

Istanbul Gold Refinery Inc. engaged the services of the assurance provider Edit Bağımsız Denetim Hizmetleri A.Ş., and Independent Assurance Report can be viewed on web link.

<http://www.iar.com.tr/Kurumsal/independent-assurance-reports/89>

**STEP: 5 REPORT ON SUPPLY CHAIN DUE DILIGENCE**

***Compliance Statement with Requirement:***

We have fully complied with Step 5: Report on supply chain due diligence.

Further information and specific details of how Istanbul Gold Refinery's systems, procedures, processes and controls have been implemented to align to the specific requirements in the Borsa İstanbul (BİST)'s "Responsible Precious Metals Supply Chain Compliance Guide have been set out in our Gold and Silver Supply Chain policy, which is available on our company website

<http://www.iar.com.tr/Kurumsal/gold-and-silver--supply-chain-policy/19>

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### TABLE 3 : MANAGEMENT CONCLUSION

#### ISTANBUL GOLD REFINERY'S OVERALL CONCLUSION

***Is the Refiner in compliance with the requirements of the Borsa İstanbul (BIST)'s Responsible Precious Metals Supply Chain Compliance Guide for the reporting period?***

Yes.

In conclusion, Istanbul Gold Refinery Inc. implemented effective management systems, procedures, processes and practices to conform to the requirements of the Borsa İstanbul (BIST)'s Responsible Precious Metals Supply Chain Compliance Guide, as explained above in Table 2, for the reporting year ended 31 December 2023.

Istanbul Gold Refinery Inc. is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. Corrective Action Plans are communicated separately to the Borsa İstanbul (BIST) Physical Committee, in its role as administrator of the Borsa İstanbul (BIST)'s "Responsible Precious Metals Supply Chain Compliance Guide.

### TABLE 4: OTHER REPORT COMMENTS

If users of this report wish to provide any feedback to Istanbul Gold Refinery Inc. with this respect to this report, they can contact Compliance department on

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compliance@iar.com.tr

January 30 2024

Atty. Özcan HALAÇ

General Manager

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